

ITEM NO.	9.1(b)
MEETING DATE	August 7, 2012
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

CITY OF REDDING
REPORT TO CITY COUNCIL

DATE: July 23, 2012
B-080-460

FROM: Kurt Starman, City Manager

SUBJECT: Discuss City of Redding Representation on the Air Pollution Control Board

Recommendation

It is recommended that the City Council consider a proposal from the Shasta County Board of Supervisors to add a City of Redding representative and a City of Anderson representative to the Air Pollution Control Board (APCB), as outlined below.

Background

The Shasta County Air Quality Management District (AQMD) is governed by the APCB. The APCB is a five-member board that is comprised of the five Shasta County Supervisors. The City of Redding and the City of Anderson have both expressed an interest in city representation on the APCB. The City of Shasta Lake initially expressed an interest in representation on the APCB, too, but it has subsequently decided to withdraw its request. Attachment A provides additional background information about the AQMD and city representation.

The City Council last discussed this topic on March 20, 2012. The City Council determined at that time that it would prefer equal representation on the APCB (please refer to Attachment B). The County Executive Officer has indicated, however, that the Board of Supervisors does not favor an even-numbered board. Thus, the Board of Supervisors has proposed a five-member board with three representatives from the Board of Supervisors, one representative from the Redding City Council, and one representative from the Anderson City Council (please refer to Attachment C).

Issue

Should the City Council agree to a five-member APCB with three representatives from the Board of Supervisors, one representative from the Redding City Council, and one representative from the Anderson City Council?

Alternatives; Implications of the Alternatives

The City Council could:

1. Agree to a five-member APCB with three representatives from the Board of Supervisors, one representative from the Redding City Council, and one representative from the Anderson City Council. If the Anderson City Council concurs, the Board of Supervisors would implement this change.

2. Continue to advocate for equal city representation on the APCB. The Board of Supervisors has been reluctant to endorse an even-numbered board to date. If the City of Anderson, the City of Redding, and the County of Shasta are not able to reach agreement on this topic, the composition of the APCB will remain unchanged.
3. Decline to create a new five-member APCB as outlined above and provide additional direction to staff as necessary.

Fiscal Impact

The AQMD has historically utilized fees and grants to finance its activities. The County of Shasta has not had to utilize its General Fund to subsidize the AQMD. As noted in the previous staff report, however, the AQMD is currently running a deficit (please refer to Attachment A). Thus, the County of Shasta may need to subsidize the AQMD at some point in the future if fees and grants are not sufficient to cover the AQMD's operating expenses. If the City of Redding participates in the AQMD, it may need to contribute funds, too. The other alternative, of course, is to reduce the AQMD's budget to match the amount of revenue that it receives.

Conclusion

The City of Redding and the City of Anderson are entitled to representation on the APCB per State law. The Redding City Council has indicated that it prefers equal city representation on the APCB. The Board of Supervisors has proposed a five-member APCB with three representatives from the Board of Supervisors, one representative from the Redding City Council, and one representative from the Anderson City Council.

The AQMD is currently working on a number of important topics that will impact the City of Redding. One current example is the Regional Climate Action Plan. This will likely continue to be the case due to State legislation such as AB 32 and SB 375. Therefore, it would be appropriate for the City of Redding and the City of Anderson to have representation on the APCB.

Attachments

Attachment A – Previous Staff Report Dated March 12, 2012

Attachment B – Letter to the Air Pollution Control Board Dated April 3, 2012

Attachment C – Letter from the County Executive Officer Dated July 18, 2012

K5s
C:\Documents and Settings\shank\My Documents\CM2012\usr08-07-12APCB.wpd
c: Larry Lees, County Executive Officer
Jeff Kiser, Anderson City Manager

ITEM NO.	9.1(a)
MEETING DATE	March 20, 2012
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

CITY OF REDDING
REPORT TO CITY COUNCIL

DATE: March 12, 2012
B-080-460

FROM: Kurt Starman, City Manager

SUBJECT: Discuss City Representation on the Air Pollution Control Board

Recommendation

It is recommended that the City Council re-affirm its interest in city representation on the Air Pollution Control Board (APCB).

Background

The City of Anderson, the City of Shasta Lake, and the City of Redding have all expressed interest in city representation on the APCB.

The APCB is currently a five-member board that is comprised of the five Shasta County Supervisors. The County Administrative Officer (CAO) has tentatively indicated that the Air Quality Management District (AQMD) would be willing to expand and re-configure the APCB as follows:

1. One representative from the City of Anderson.
2. One representative from the City of Redding.
3. One representative from the City of Shasta Lake.
4. Four representatives from the Shasta County Board of Supervisors.

Air Pollution Control Officer Russ Mull has prepared the attached "whiter paper" titled "Issues Regarding Membership of the APCB." As noted in the white paper, it is possible that the three cities could be required to partially fund the AQMD at some point in the future if other revenue sources are not sufficient for some reason. According to the CAO, this has never been an issue for the County of Shasta. The County of Shasta has never had to augment the AQMD's budget from its General Fund. Nevertheless, the City of Redding should be mindful of this issue.

Issue

Does the City Council wish to re-affirm its interest in city representation on the APCB?

ITEM 9.1 (b)
ATTACHMENT A

Alternatives; Implications of the Alternatives

The City Council could:

1. Re-affirm its interest in city representation on the APCB as outlined above. The AQMD would then need to expand and re-configure the APCB to facilitate city representation.
2. Re-affirm its interest in city representation on the APCB, but under some other terms and conditions. For example, the City of Redding may advocate for an even-numbered board with equal representation from the three incorporated cities and the County of Shasta. The AQMD would need to agree to such a proposal.
3. Decide not to pursue city representation on the APCB at this time. The City of Anderson and the City of Shasta Lake may or may not continue to pursue this issue.
4. Provide other direction to staff.

Fiscal Impact

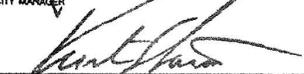
City representation on the APCB should not have a direct fiscal impact on the City of Redding. As noted above, however, that could change in the future if the AQMD is not able to fully fund its activities with fees and grants.

Conclusion

The AQMD is currently working on a number of important topics that will impact the City of Redding. One current example is the Regional Climate Action Plan. This will likely continue to be the case due to State legislation such as AB 32 and SB 375. Therefore, it would be appropriate for the City of Anderson, the City of Redding, and the City of Shasta Lake to have representation on the APCB.

Attachments

- A. Previous Staff Report Dated September 6, 2011
- B. AQMD White Paper - "Issues Regarding Membership of the APCB"

ITEM NO.	9.1(g)
MEETING DATE	September 6, 2011
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

CITY OF REDDING
REPORT TO CITY COUNCIL

DATE: August 25, 2011
B-080-460

FROM: Greg Clark, Assistant to the City Manager

SUBJECT: Provide Direction Re: Representation by the City of Redding on the Shasta County Air Pollution Control Board

Recommendation

It is recommended that the City Council give direction to staff as to whether to initiate discussions with Shasta County regarding representation by the City of Redding on the Air Pollution Control Board (Board). Such discussions would include reaching agreement on the number of City members on the Board.

Background

At its August 16, 2011, meeting, the City Council directed staff to provide information as to what was necessary for the City of Redding to be represented on the Shasta County Air Pollution Control Board. The Board is the legislative body of the Shasta County Air Quality Management District (AQMD) and historically has consisted of five members – the Shasta County Board of Supervisors. The Board is responsible for adopting policies, rules and permits, and providing direction on air quality issues affecting the County, as well as overseeing the District's budget.

The issue of participation by cities on the Shasta County Air Pollution Control Board has been alive since state legislation (AB 75) took effect in 1994, providing for such representation. In addition to mandating city participation, it also provided a formula for city-county representation if the parties had not already agreed on such by July 1, 1994. For single-county districts like the AQMD, in which city population comprises more than 50 percent of total county population, cities are to have 50 percent of the board membership. In the case of an odd-numbered board, such as in Shasta County, the law allows the County to have the majority. However, the law is less clear on total size of the board, leaving that to be resolved by the County and the affected cities.

From 1994 to 1999, representatives from the three incorporated cities attempted to reach agreement with the County on participation by the three cities, including formation of a six-member board or a seven-member board with the seventh member alternating annually between the cities and the County. At one point the Redding City Council directed the City Attorney to seek declaratory relief in Shasta County Superior Court in an attempt to resolve the question of membership makeup, but that did not occur.

At various times during this period Shasta County expressed willingness to allow cities to occupy two of the five board seats, or to expand the board to seven members with three city seats and four

ITEM ~~9.1(a)~~
ATTACHMENT ~~A~~

County seats. The cities of Redding, Anderson, and Shasta Lake declined to participate under those arrangements. In 1999, the City Council adopted a resolution waiving its right to membership on the Air Pollution Control Board. The resolution further stated that the Council will review that action periodically.

Issue

Does the City Council wish to re-initiate discussions with Shasta County as to allowing one or more City representatives to sit on the Air Pollution Control Board?

Alternatives; Implication of Alternatives

The City Council could:

1. Direct staff to contact Shasta County representatives with the intention of reaching agreement on allowing one or more City Council members to participate as members of the Air Pollution Control Board. Such discussions also could include the Cities of Anderson and Shasta Lake if they are interested in participating.
2. Decline to enter into discussions with Shasta County at this time, effectively excluding the City of Redding from representation on the Air Pollution Control Board.
3. Provide staff with alternate direction.

Fiscal Impact

There is no significant fiscal impact involved with initiating discussions with Shasta County on this issue.

Conclusion

The City of Redding (and other municipalities within Shasta County) are entitled by law to representation on the Air Pollution Control Board. Discussions with Shasta County representatives would allow for implementation of a procedure for that to occur.

ISSUES REGARDING MEMBERSHIP OF THE APCB 1-20-2012

As a follow-up to our discussion regarding the Air Pollution Control Board (APCB), I would offer a number of points the cities should be aware of. I have not gone to the extent of crafting what may be multiple ideations of financing that the cities and the county could agree on if they chose to. My information derives from the plain reading of the statute.

1. The Air District functions under State and Federal Law. Only minor operation of the District are subject to local ordinance.
2. The district currently contracts by MOU with the County for facilities and Administration of the District. The District employees are County Employees and serve at the direction of the Air Pollution Control Officer (APCO). They do not work for the County. The APCO is appointed by the Air Board (MOU attached), about 25% of the APCO's time is charged to the District.
3. Funding for the District encompasses,
 - A) Grants: These are typically pass through with minor impact on revenue
 - B) Subvention: Non-guaranteed State money of about \$56,000 per year for operations of the district.
 - C) Permit Fees/Penalties: These fees are paid by regulated sources that include about a dozen large, (SPI, Lehigh Southwest, etc.), and 300 small (Dry Cleaners, gas stations, etc.). These fees represent about 23% of the budget. The relatively low number of businesses most of which are small precludes permits as a major revenue source.
 - D) Department of Motor Vehicle Fees (DMV): \$3 per vehicle registered in Shasta County is charged to pay for compliance with the California Clean Air Act and to reduce motor vehicle emissions. Statute allows a charge of up to \$6 per vehicle, however expenditure limitation have precluded collection of the maximum. This represents the bulk of the Districts funding or about 40%.

The District operates with about a \$300,000 annual deficit utilizing accumulated fund balance from prior years to offset the shortfall. This fund balance will likely last about three more years. At that time or possibly earlier funding as follows will likely be necessary; Health & Safety code Sec. 40701.5(B) expenses of the District that are not met by the above mentioned funding sources shall be provided by an annual per capita assessment on cities which have agreed to have a member on the district board and on the County included within the District. Any annual per capita assessment imposed by the District on those cities and county shall be imposed on an equitable per capita basis.

Unknown costs: The District is currently in litigation with Tehama County regarding the division of DMV fees. While the outcome is uncertain we do know our revenue will decline a significant amount. In addition the District is responsible for at least our legal costs. Both will go as charges against the district.

ITEM 9.1(a)
ATTACHMENT B

As an independent Authority under California Law, the District can sue and be sued. Lawsuit expense that results from land use or a stationary source project is usually covered by an indemnification agreement. Expenses from lawsuits such as with Tehama County or rule adoption are direct charges to the District. Costs of litigation and loss of revenue will shorten the remaining life of the Fund Balance. It is also likely to raise the per capita funding needs.

The Federal and State Environmental protection Agencies have significant control over most decisions by the Air Board. As such a large portion of the Boards actions are associated with pass through contracts. These have historically been handled as consent items following the Board of Supervisors meeting. If a reconfigured board wished to change this, staff and notice cost will be increased by an amount undetermined.



CITY OF REDDING

OFFICE OF THE MAYOR

777 Cypress Avenue, Redding, CA 96001
P.O. Box 496071, Redding, CA 96049-6071
530.225.4447 FAX 530.225.4463

April 3, 2012
B-080-460

Dick Dickerson,

Mayor

The Honorable Leonard Moty, Chairman
Shasta County Air Pollution Control Board
1855 Placer Street, Suite 101
Redding, CA 96001

Dear Chairman Moty:

Pursuant to Section 40100 et seq. of the California Health and Safety Code, the incorporated cities in Shasta County are entitled to have representatives on the Shasta County Air Pollution Control Board (APCB). The City of Anderson, the City of Redding, and the City of Shasta Lake have all expressed an interest in representation on the APCB. To that end, the City Council of the City of Redding would respectfully recommend a seven-member governing board with:

1. Three members from the Shasta County Board of Supervisors;
2. One member from the City Council of the City of Anderson;
3. One member from the City Council of the City of Redding;
4. One member from the City Council of the City of Shasta Lake; and,
5. One member at large with air quality experience that would be selected by the other six APCB members.

If it is not possible to have one member at large for some reason, then the City Council of the City of Redding would respectfully recommend a six-member governing board with:

1. Three members from the Shasta County Board of Supervisors;
2. One member from the City Council of the City of Anderson;
3. One member from the City Council of the City of Redding; and,
4. One member from the City Council of the City of Shasta Lake.

ITEM 9.1 (b)
ATTACHMENT B

Letter to APCB Chair Leonard Moty
Re: APCB Board Representation

April 3, 2012

Page 2

I would respectfully request that you place this topic on the APCB's next agenda for discussion and consideration.

If you have any questions regarding this topic, please do not hesitate to contact me at 225-4447.

Sincerely,



Dick Dickerson
Mayor

DD:KS:ls

C:\Documents and Settings\shank\My Documents\Mayor-CC\2012\04-03-12Moty.wpd

c: Redding City Council
James Yarbrough, City of Anderson Mayor
Ron Dixon, City of Shasta Lake Mayor
Kurt Starman, Redding City Manager
Larry Lees, Shasta County CAO
Carol Martin, Shasta Lake City Manager
John Blacklock, Anderson City Manager
Russ Mull, Shasta County Air Pollution Control Officer



Shasta County

ADMINISTRATIVE OFFICE
LAWRENCE G. LEES
COUNTY EXECUTIVE OFFICER

1450 COURT STREET, SUITE 308A
REDDING, CALIFORNIA 96001-1673
VOICE - (530) 225-5561
(NORTH STATE) - (800) 479-8009
FAX - 229-8238

RECEIVED
CITY OF REDDING

JUL 19 2012

CITY MANAGER

July 18, 2012

City of Redding
Kurt Starman, City Manager
777 Cypress Ave
Redding, CA 96001

Re: Addition of City of Redding to the Shasta County Air Pollution Control Board

Dear Mr. Starman:

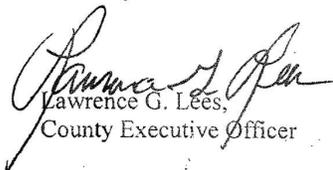
At the Shasta County Board of Supervisor's Meeting on July 17, 2012, the Board proposed a five member Air Pollution Control Board with the following composition.

- One member from the City of Redding;
- One member from the City of Anderson; and,
- Three members from the Shasta County Board of Supervisors.

I would respectfully request that you place this topic on the City of Redding's next agenda for discussion and consideration.

If you have any questions, please do not hesitate to contact me at 225-5561.

Sincerely,


Lawrence G. Lees,
County Executive Officer

ITEM 9.1 (b)
ATTACHMENT C